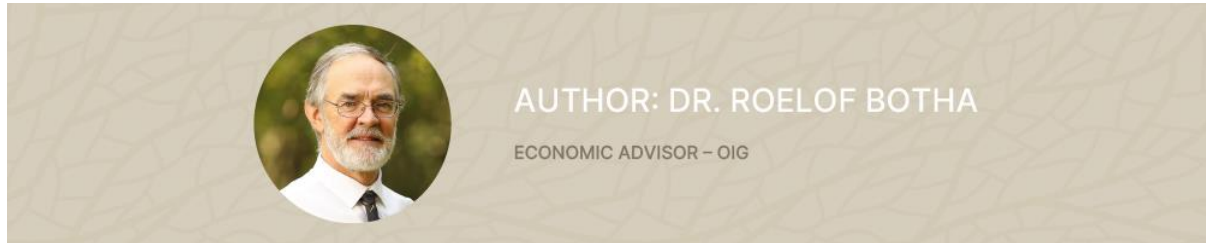


Manufacturing sales advance further

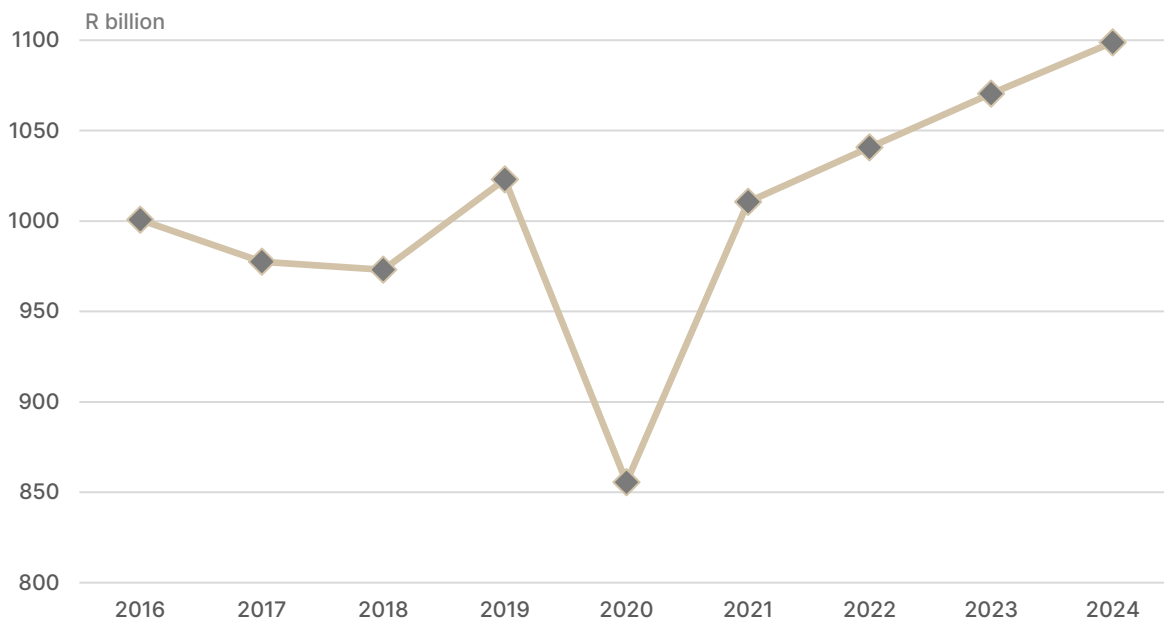
13 June 2024



South Africa's manufacturing sector sales performance continues to reach new record high levels, with a cumulative figure of R1.1 trillion achieved between January and April. It is the second successive year that manufacturing sales breached the R1 trillion level within merely four months, as illustrated by Exhibit 1.

When adjusted for inflation by the consumer price index (CPI), total manufacturing sales between January and April increased by more than 9% year-on-year. After the debilitating effects of the Covid pandemic, South Africa's factories have outperformed most other key sectors of the economy, with average monthly sales values well above those before 2020.

Exhibit 1 | Manufacturing sales for January to April at constant 2024 prices

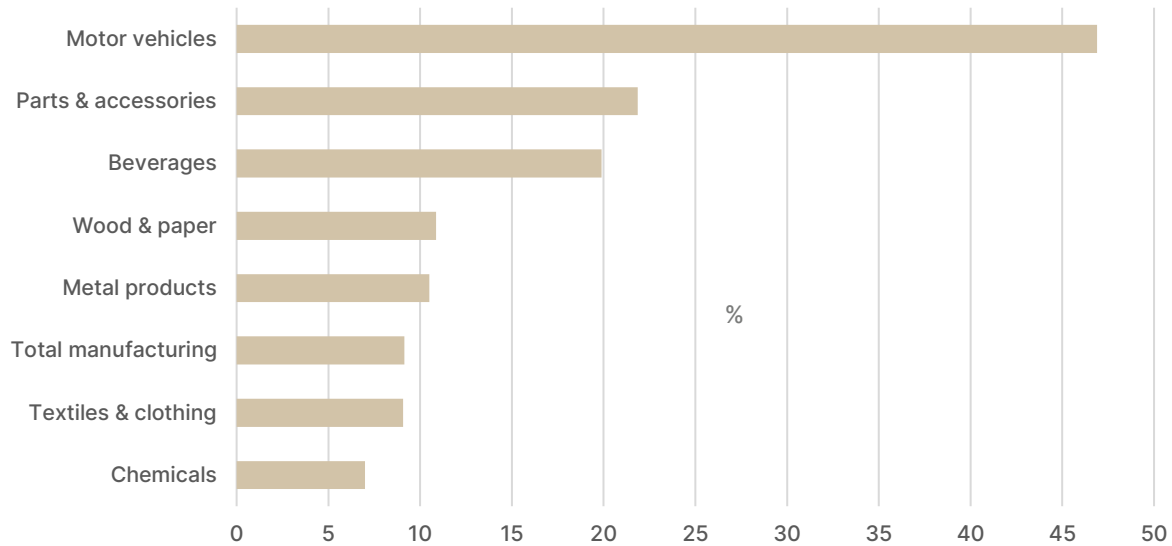


Source: Statistics South Africa; author's own calculations. Data as at end April 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.

Exhibit 2 depicts the strong sales growth performance from April 2023 to April 2024 of key manufacturing groups. The data confirms the strategic and growing importance of the motor vehicle and vehicle parts industries to the South African economy. These manufacturing groups have also elevated their ranking positions for the generation of foreign exchange via exports.

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Exhibit 2 | Top-performing manufacturing groups – April 2023 to April 2024 (% increase in real sales value)



Source: Statistics South Africa; author's own calculations. Data as at end April 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.

Any progress with the work being done by the National Logistics Crisis Committee will serve to enhance the efficiency of roads, railways and harbours. The latter should, hopefully, also serve to stimulate manufacturing sector exports.

With the elections having come and gone, the focus is now on whether a government of national unity (GNU) will seek cooperation and advice from experts in the private sector to assist in returning to higher economic growth and employment creation. The latter should be a priority and make it easier to make progress with socio-political objectives, especially poverty relief.